

Meeting of 1999-5-10 Budget Meeting

MINUTES
SPECIAL CALLED MEETING
LAWTON CITY COUNCIL
MAY 10, 1999 - 5:00 P.M.
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

Mayor Cecil E. Powell, Also Present:
Presiding Bill Baker, City Manager
 Frank Jensen, Deputy City Attorney Brenda Smith, City Clerk

The meeting was called to order at 5:00 p.m. by Mayor Powell. Notice of meeting and agenda were posted on the City Hall notice board as required by State Law.

ROLL CALL

PRESENT: G. Wayne Smith, Ward One
 Richard Williams, Ward Two
 Glenn Devine, Ward Three
 John Purcell, Ward Four
 Robert Shanklin, Ward Five
 Charles Beller, Ward Six
 Stanley Haywood, Ward Seven
 Randy Warren, Ward Eight

ABSENT: None.

Mayor Powell thanked Councilman Warren for his efforts in gathering relief supplies for the Oklahoma City area tornado victims.

BUSINESS ITEM:

1. Discuss Preliminary Fiscal Year 1999-2000 Budget for the City of Lawton. Exhibits: None. (Preliminary Budget was distributed previously)

The City Manager's presentation is summarized as follows: The budget is balanced without the need for revenue increases of any kind; several significant increases had to be absorbed to balance the budget, however, this was possible due to the substantial increase in revenue throughout FY 1998-99. Last summer was very hot and dry, and as a result, a tremendous amount of water was sold. Objectives tonight are to provide an introduction to the budget and to determine how the Council wants to conduct a review.

The budget process began with two assumptions: Continuing the same level and types of services, and that the preliminary budget would be balanced without the need for revenue increases. Budget guidance to department directors was to request what was needed to continue current programs and maintain the same levels of services; by February 1, requests for capital outlay and additional personnel were submitted and no restrictions were placed on these requests. Capital outlay and travel requests were listed by priority. The City Manager and Finance Director reviewed the budgets with directors and appropriate staff, to include each activity, account by account. Upon completing the review, the Finance Director computed balances and projected revenues. At this point, the requests exceeded the projected revenues by \$3.2 million. Since the objective was to present a balanced budget, the \$3.2 million deficit had to be eliminated.

There is a 27th pay period next year, which happens about every 12 years, causing a \$1 million problem in that particular year. In addition, \$500,000 is connected to the maturation of the pay plan, which includes built in step increases and other related costs. \$384,000 additional was needed to fund the sewer maintenance budget. Council changed the way the sewer service was charged previously, and part of that increase went to finance a sewer rehab unit as part of the EPA Consent Order. Two years of funding had accrued before the program started, but this year, the general fund had to make up \$384,000 of that program. Public Works requested \$117,000 additional for electricity and chemicals for the Wastewater Treatment Plant, assuming the expanded plant would be on line this fall. The Waurika payment went up \$57,000. Capital outlay requests from departments were up \$2,117,000; totaling over \$5 million, but a typical year cost for capital outlay is around \$3 million. Health insurance is projected to increase \$112,000. Baker said he was asked to put money in the budget for economic development, and \$125,000 was originally included for that. Those are some of the significant increases that had to be overcome to balance the budget.

Baker said to balance the budget, the following steps were taken: capital outlay requests were reviewed and reduced by \$2,097,000 to get it down to a little over \$3 million. Projected revenues were increased by \$451,000; the Finance Director is very conservative and had anticipated a 2% sales tax increase next year and Baker asked that the increase be projected at 3%. This year it is almost 5% but we cannot assume that next year will be as good. Travel requests were reduced by \$25,000. Electricity and chemicals at the Wastewater Treatment Plant were reduced by \$50,000, and that is a guess; if the new plant is finished and on line sooner and the chemicals and electricity are used, it will be a bad guess, but Baker said he felt comfortable with the figure.

Baker said the reserve was reduced; he hoped to have it up to \$500,000 in this budget but it had to be reduced by \$50,000, although the reserve is increased. The projected lapse in the 1998-99 budget was adjusted by \$200,000. All of the 200 accounts, maintenance and operation, were reviewed and \$143,000 was cut from those accounts; since that time, requests have been received that some funding be restored.

There are reorganizations and title changes included in the budget. When the Communications Director left, Council agreed to combining the MIS and Communications into Information Services, and that is reflected in the budget and eliminates one department director position. Some positions were moved during the year, and this budget will formalize that action, if approved. Code Administration had two engineers, one inspector and a clerk III reassigned to them from Engineering, and a plans examiner was included in lieu of an inspector. Baker said this is part of the effort to improve the building development program and the efficiency; there has been much concern in this regard. The Right of Way Agent was assigned from Engineering to the City Attorney's Office, and the City Attorney's Office will be responsible for all land acquisitions and sales and disposition of land, so that function went with that position. The budget recommends that the Lakes Division be moved to Parks & Recreation; about a year ago, the Council moved this division to Public Works. Baker said he knew why that was done and that Public Works had done a wonderful job in resolving a lot of the problems and it is in good hands, but he personally felt it needed to be under Parks & Recreation as that director has experience in lakes management and also Public Works has their hands full with 300 employees and a myriad of divisions so this is one less division for the Public Works staff to be concerned with.

Title changes are that Planning and Special Studies will be Planning, and the City Planner's title would be changed to Director of Planning. Public Works/Engineering Department will be changed to Public Works, and the titles accordingly changed. These are cumbersome in conversation and written correspondence and can be simplified. The Civil Defense Director asked that his activity be changed to Emergency Management, which is the trend state and nation wide and it is not a problem. The City Librarian has asked that her title be changed to Library Director, and that is not a problem.

Baker said Parks & Recreation will look at reorganization through the year. The Director has been on board a short time and is learning the organization; he will be looking at a reorganization during the year and it will be brought to Council. The Police Chief has recommended eliminating the Assistant Chief's position and adding a police officer position, which Baker agreed with. The Chief feels the two Majors can absorb the work load of the Assistant Chief. The Museum is funded at the amount that was requested last year, \$511,000, plus \$5,000 from Fund 35. \$230,000 is included for hotel/motel, which is a revenue neutral type of account. Baker said he plans to assign certain departments to the Assistant City Manager and would do so effective July 1.

The reserve is increased by \$40,000; the Contingency is \$150,000; total projected carryover to include all funds as of June 30, 2000, is \$1.1 million. There was almost \$1 million in Fund 35 when Baker became City Manager. The fund was created to put money in to carry over from one fiscal year to the next for capital type items. Many of the projects were old and should have been done already, or the equipment purchased. For purposes of this budget, the items that were not done or encumbered this year have been included in the budget and that is a revenue neutral thing; the funds from Fund 35 are carried over and placed into the activity budget. Baker said the lakes budget shows a general item of "improvements", and those will be better described in a hand out from the Finance Director.

\$75,000 is included in the Mayor's account for the Centennial. For two years, \$25,000 was included, but they let the \$50,000 lapse and added \$25,000 to it, therefore, the number shown in the Mayor's budget is \$75,000. Laptop computers for Council are included in the amount of \$26,000. \$125,000 is placed in the Police Department budget for the CIC; there is a possibility that the State may cut off funding for that program, and if that is done, the City may have an extra \$125,000.

Baker said he was originally asked to include \$125,000 for economic development in the budget, with the thought that we might use the funds to hire personnel, and if we did, it would probably be at least October until anyone could be hired, so \$93,000 was included in the Mayor and Council budget for economic development.

On personnel, the Chairman of the EAC would like to make a presentation to Council and the group has asked for a 10% pay increase, two additional hard holidays, and one additional flex holiday. Funds are included in the individual 100 accounts in each activity to provide for a cost of living for General Employees. A classification and pay plan study should be received in two weeks so the funding in the budget can be used for a COLA or to implement the pay plan. Preliminary budget shows a net reduction of three employees but that is not accurate, it was a net reduction of four, going from 800 to 796. The one additional was a construction inspector at the Wastewater Treatment Plant that Council added when the project started, and it is reflected in two divisions so it is shown twice. When the function is finished, the position will be transferred to another division in Public Works. Two juvenile justice positions are deleted; funds were included in the current year's budget in case the City received jurisdiction over juvenile matters but that did not happen this year and if it happens next year, it will have to be addressed. Baker said the Wastewater Treatment Plant budget was reduced by two

people. One cement finisher was added to Water Distribution to help restore driveways and sidewalks.

Baker said there are some loose ends that need to be addressed and Council decisions are needed. Council asked that staff look at a contract for soft drinks and that is not reflected in the budget. If additional revenue is received as a result of that effort, the funds will be appropriated by Council into the budget. A Council decision is needed on economic development. The landfill has requested an additional \$26,000 in their contract labor account and Baker has not had the opportunity to make a decision in that regard. Arts & Humanities is asking for an additional \$1,200 because the cuts would jeopardize one of their programs. Baker said one member asked him to look into software for economic development, and the cost was \$42,000; it is not in the budget and staff is looking into it. Fund 35, one decision is needed with regard to the \$67,000 for the 17th and G lights which is now shown as lapse funding. Insurance funding for the lights was set aside for the eastside park but that will be a large, capital improvements type project that will have to be done in phases, so to have \$67,000 not being spent for the next year or two does not make much sense. Baker said if Council does not want to lapse that \$67,000, he would need to find it some place in the budget.

Baker said the mail courier position was recently transferred to the City Manager's office. He recommended transferring that position to the Print Shop, which now has money for a part time employee and the position would be changed to a full time courier, print shop position; temporary funding in the print shop budget would be moved to the City Manager's budget to hire a Clerk III.

Baker said funding is not identified for any cost of salary increases for collective bargaining groups.

Shanklin asked the amount of last year's capital outlay budget. Baker said it was \$5.4 million. Shanklin said it is \$2 million less this year. Baker said a big portion of last year's capital outlay was for the sewer construction program, and the \$3 million level is more common.

Shanklin said he thought the hotel/motel tax was \$310,000. Baker said it was \$325,00 last year and it is projected at \$330,000 this year, and his saying \$230,000 previously was incorrect.

Shanklin said the 1990 or 1995 CIP identified and prioritized the east side park, so if something was done with those funds, it should not have been. He asked that research be done. Purcell said that was \$150,000, but the \$67,000 was the insurance money from the storm at 17th and G and that was not in a CIP.

Steve Livingston, Finance Director, gave a presentation regarding revenue and expenditures using various slides. 67% of expenditures are related to employee costs; any decisions made in that regard, whether it be a 1% raise or to increase the retirement plan or if the workers' comp insurance goes up, it costs a lot of money. 15% of the costs are other services and charges, and roughly 11% is in materials and supplies, so roughly 26% is in items like gasoline, insurance, office supplies or repair and maintenance. 7% of the budget is capital outlay.

A slide was presented showing revenue. Livingston said there are very limited sources for revenue. 34% of the operating revenue comes from the 2% sales tax; 48% comes from the utility accounts, so roughly 80% of the revenue comes from either water, sewer, refuse or sales tax, and the utility revenue is used to support the general operation.

A slide was presented showing various departments and their percentages of the total budget. Public Works is the biggest department at 35%, so over one-third of the budget is for sewer, refuse, water and treating water, wastewater, picking up trash, and the related engineering and associated tasks. Police is the next largest department at 20%, which is about \$10 million. Fire Department is 14%, Parks & Recreation is 9%; Finance is 5%, Information Services is 4%, and all of the others make up the 13% remaining, such as the attorneys, community development, the Mayor's budget, and so forth.

Livingston said three divisions are working to satisfy the EPA Consent Order. Two years ago, the wastewater maintenance fund was established, and funded by the cost of water between 7,000 to 12,000 gallons. These funds are placed in a special account to clean every collector line in the City once every five years, which is required by the Consent Order, and it is included in the operating budget. The second division is the sewer technical group, which designs the lines in advance of construction and it is funded through the 1995 CIP. This year the City established the sewer construction fund, and the first two years of that fund are paid from the 1995 CIP, about \$5 million total; the next five years will be paid by the \$2.35 sewer utility charge that was enacted January 1, 1999. A loan application is pending before the Water Resources Board that should be considered in June and that will provide funding for the program. Lawton used an innovative approach doing this work in-house and staff members have worked diligently on this program to meet the guidelines and qualify for the OWRB loan.

Livingston said sales tax is up about 3-1/2%, and only 2% was budgeted so the extra funding helps offset the 27th pay day expenses. The hot weather generated additional funding through the utilities from both water and sewer. In addition to those two revenue sources, there was a rate increase in solid waste for commercial accounts and the revenue exceeded the estimates in that category. Solid waste revenue estimate was about \$90,000 low in landfill fees last year.

Livingston said the proposed budget estimates a 3% increase in sales tax for \$765,000; \$340,000 is estimated as an increase in utilities revenue. Large expenditures are the \$1 million for the 27th pay day; \$430,000 for the General Employees 3%, and for all employees to receive a 1% increase, it will cost almost \$300,000, so if all employees receive 3%, it will be up \$900,000. There have been requests for increases in overtime by about \$100,000. There will be additional costs for chemicals and electricity at the Wastewater Treatment Plant but we will be able to process more waste and meet

the federal requirements. Waurika, functioning of the pay plan and economic development have all contributed a little bit to an increased budget. Asbestos abatement is not required this year so that decreased expenditures by about \$280,000.

Livingston said the Fund 35 in the budget is not properly presented and there was a communication problem in that regard; it is not as descriptive as it should be. The Mayor and Council budget shows Fund 35 in the summary but it does not clearly state that we do have money for the Centennial Celebration of \$50,000 in Fund 35. Livingston said he had provided a complete list of the \$504,000 in Fund 35 as page five of the handout; there are some things, such as lakes, that disagree with the funding because the dam is shown under lakes instead of the water treatment plant, which is not part of the lakes operation, so some of it should not be in the lakes but should be in the water treatment plant. He said it would be straightened out and in the future we would be able to handle it much easier and more accurately. Livingston said Fund 35 is approved by Council during the year, and this is a statutory fund that allows cities to put money in there to do projects that would take more than a year to complete. He said it is a good idea to show it in the budgeted accounts each year so Council can determine if the expense is still appropriate or whether it should be canceled. Once it is under contract, it will not be presented again because it would not be necessary.

Purcell asked if the \$504,361 for these projects is all of the money that is left as part of this budget in Fund 35, and if all of the rest of the money that was in Fund 35 had been moved to the general operating budget. Livingston said yes, or it is under contract for the identified projects. Baker said the \$500,000 is Fund 35 items that have been placed in the operating budget in the appropriate activity; the difference between that and the \$800,000 that was left, those projects are either accomplished or encumbered under contract this year and the \$500,000 remaining is reflected in the individual budget activities. Purcell said after this is done, there is zero money left except for the projects that are committed and no funds would be in Fund 35. Baker said that is correct, we are eliminating Fund 35, and that he did not delete any projects that were previously approved by Council; they will be done this year or they will be reflected in the upcoming budget. Shanklin asked if the \$500,000 is going into the general budget. Baker said yes, it is shown in this budget in individual activities. Shanklin said you cannot carry it as excess and turn around and spend it. Baker said we lapsed the \$500,000 and considered it revenue and took that exact amount and plugged it into the budget as an expenditure so it is a break even thing.

Shanklin asked if we are going to carry over \$1,300,000 and revenues in excess of sales tax is \$765,000 and asked if that is added to it and if that includes what we got today. Livingston said you will carry over \$2,576,390 in the general fund; this compares that \$2.5 million to the amount carried over last year which was \$1,271,621; the difference in those two numbers is \$1,304,000. Shanklin asked if the \$2.5 million carry over includes the payment for the 27th pay day. Livingston said the \$2.5 million carry over into this year is going to help support paying for that because the 27th pay day is in the coming fiscal year. Shanklin said if you have a \$1 million payroll, you do not have \$2.5 million carry over. Livingston said at June 30, 2000, we are budgeting a reserve of \$470,000 and that does start out with the \$2.5 million carry over which has the 27th pay day, cost of living, and all of the other things mentioned earlier.

Beller asked if the \$500,000 from Fund 35 is put back into the general fund budget, does it mean that the projects will be funded that are listed, such as the lagoon at Robinson's Landing. Baker said yes, those are specifically included in the activity where they belong. Baker said up to now, you would not find Fund 35 in a document. Mayor Powell said it is now named by project, although the projects do not have to be approved, but it is identified for particular projects.

Haywood asked the cost of one payroll and Baker said \$1 million per payroll, or \$27 million annually.

Smith suggested changing to a monthly payroll or at least paying on the 1st and 15th so you do not have the \$1 million problem again in 12 years. Baker said he did not know why payrolls are processed every other week and that they could look at changing, although it could be a little tricky.

Shanklin said the Police Department was given two civilian positions last year and he had 12-15 officers jumping him out because the jobs were given to the people who were already there; they stepped over from one day to the next and how fair is that and are we going to do that for everyone. He said discussion was also needed on whether tapping the water mains should be in Revenue Services or Public Works.

MAYOR/COUNCIL

Purcell said Account 279 shows \$81,700, but the comments on Page 14 only add up to \$6,500. He asked if the other \$75,000 was the Centennial. Baker said yes.

Purcell asked if there was a reason the \$93,750 could not be taken from the hotel/motel tax money. Baker said no, that is a contractual arrangement with the Lawton Chamber of Commerce and Industry, and Council can negotiate that for any amount desired. Beller said he had been hearing that the Chamber wanted out of the economic development portion. He said there is an entity at the Vo Tech School that is pursuing economic development, as well as someone at the County, and various other places. Beller said the hotel/motel tax funding should be looked at in this regard.

Mayor Powell said it was his idea to bring this forward and that he had talked to the City Manager about it, as well as other people. He said he would like to see a professional economic development person hired for economic development; the salary would be paid for by the City; the person would be housed at the Chamber of Commerce because there would be a question of whether someone should call the City or the Chamber if they were looking for information. Mayor Powell said he would also like to see that the money that the Chamber is receiving now from the hotel/motel tax would stay just like it

is and get the Chamber back into tourism and taking care of the existing businesses that have kind of been put on the back burner to a degree, and let the Chamber work with them and stay in the tourism business with the same dollars to be used in the Lawton-Fort Sill community. He said the person would be paid for by this body here and that staff is working on the audits at the motels. He said two large motels have been built here and another may be built in the very near future, and some funding may be generated as a result and it would not cost anything extra. Mayor Powell said he had talked with Marilyn Feaver at the Chamber of Commerce and that she had done a fantastic job. He said there would be a governing board of persons selected that this person would answer to and be under their guidance and direction.

Beller said if the Chamber is going to get out of the economic development business and we put a person over at the Chamber and fund that person then it seemed there would be a nexus there between the person that we send over and the Chamber, regardless. He said economic development is a tremendous tool but we have people out here working economic development and everyone should get together and shoot at the same target. Mayor Powell said that is exactly what would happen under this plan right here. Beller asked if we would bring the Vo Tech School over to the Chamber. Mayor Powell said he promised they would be involved in it. Beller said he did not think the support of the general community is behind the City funding economic development out of the general fund budget, and the hotel/motel tax was to promote economic development and tourism, and somewhere along the way we slipped a little bit with the tourism because we have a Chamber president who says that things do not qualify, but they need to get back to what their charge is. Mayor Powell said that is what this is attempting to do.

Warren said he could not support such a person being housed at the Chamber. He said we fought for four years to stop comingling of funds and support of personnel at the Museum, and if we put a person funded by the City at the Chamber, it will not be six months until they start sharing secretaries, copiers, and it will be the same situation that we were in at the Museum. Mayor Powell said he would agree with that unless there was a complete understanding right up front and he thought there would be and would have to be and that is a good point, and then you would not have those problems.

Purcell said the most successful places for economic development in the state have been Altus and Norman. He said two people run economic development in Norman, and it is funded by \$50,000 from the Chamber, \$50,000 from the City of Norman, and \$50,000 from the University of Oklahoma; and they are trying this year to get \$50,000 from the County Commissioners. The budget for them is \$150,000 for economic development and it has worked very well. Purcell said Lawton has a split because there are people at the Chamber working on it, people at Vo Tech, now Cameron University is working on this with a new organization for high tech economic development issues, and now there will be someone from the City on top of that. He said we need someone in charge of economic development, one individual, regardless of who it is, and that he had no problem placing this funding in an entity that would hire a person to be in charge, in his opinion by a separate board, and then it is not the City's, Vo Tech's or the Chamber's. Purcell said he did not think the person should be at the Chamber and there should be a separate economic development activity or building, and the \$93,000 should come out of the hotel/motel tax, and that he could support that funding and the concept of doing this, but that it should not be funded from the general budget.

Mayor Powell said he understood that concern and that he had reason to believe that it would not come out of the general budget. He said all of the people who had been discussed would be players to the plan.

Williams said in addition to the entities that have been identified, most of the utility companies are doing economic development also. He said he could not support taking money out of the general budget to fund an individual, whether they are at City Hall or at the Chamber of Commerce, to do economic development. Williams said some things need to come together and all of the parties providing economic development support need to come together and identify a point person or a way to go to market. He said he felt the City's role in economic development was to provide proper infrastructure, and how many times have we seen in the last few years, with the economic development opportunities that have come to this community, that the City still had to come up with the money for water lines or putting in a spur or an extension of a road that ended up costing X amount more dollars. Williams said it does not really matter who the hired gun is, when you get right down to the bottom line, it is going to be how much money are you going to give me to come to Lawton, Oklahoma. He said he could not support taking money out of the general fund or the hotel/motel tax to hire someone to do this, and it needed to be done by a collection of business people coming together with their funds so that they have a vested interest in this and then the City providing its part of economic development with the proper infrastructure.

Mayor Powell said he hoped that no one felt he was being critical of what the Chamber does because when you see what they have done in the last few years, no one can criticize that at all as far as bringing in new industry. He said the thing about the hired gun, as was said, that is a professional person who knows where every CEO is in the United States and there are people like that.

Warren said part of the problem in the past is that we enter into these agreements blind because the City has not been included in the discussions and is then somewhat coerced into having to spend taxpayer money on projects that we had no input on. He said he felt that was one good reason to have "a city employee" that would be located within that group somehow, whether it is at City Hall or whether the person is provided to an entity, but at least they would answer to the City. Mayor Powell said that is a very good point and the reason for the plan is that the board would have persons from the City on it so they would always know and be right up front on whatever is happening with economic development.

Shanklin said he did not care where the money came from, if that is what it takes, but that he had yet to see where the public sector can do what the private sector can do. He said the bureaucracies will fight one another and have, and there is a certain amount of jealousy involved in that type of organization. Shanklin asked if the firm Purcell works for was able to

hire from the local population. Purcell said they are starting to be able to find more people due to the association with Cameron and OU, and it is getting better. Mayor Powell said that is one of the targets of the group that was put together. Shanklin said that group has run off more business than they will ever bring into this town. Mayor Powell said the economic development plan that they are talking about has nothing to do whatsoever with being in competition with Cameron, and we would want Cameron to be a part of this, as well as Vo Tech, the County Commissioners, and we want some Council members sitting on this.

Baker said the \$93,750 is in Account 231 in the Mayor's budget, and it can stay there or be moved to Council Contingency, and Council does not have to decide what they want to do with it now. He said if Council is interested in supporting economic development next year, it can leave the funding and decide later what to do with it, and that would be his suggestion.

Purcell said Baker did not suggest this would be a City employee. He suggested leaving the money in there, but that the funding source for the \$93,750 in Account 231 be the hotel/motel tax and reduce the \$330,000 for hotel/motel down by that amount. Purcell said the funding would be from the hotel/motel tax and not the general fund. Shanklin suggested making the amount \$120,000 like the Mayor suggested earlier.

MOVED by Shanklin, SECOND by Warren, to take \$120,000 out of the hotel/motel tax and put it in that account.

Mayor Powell said if we find out that we are going to have more money coming in from these audits that are being done, he would hope nothing would be taken away from the funding for the Chamber of Commerce and let them take care of the existing businesses and the tourism, those two things right there, and that needs to happen in this community. He said if we do find more money there, he hoped it would be used in that manner.

SUBSTITUTE MOTION by Purcell, SECOND by Shanklin, to leave the \$93,750 in Account 231 but the funding source for that be the hotel/motel tax, and wherever the \$330,000 hotel/motel tax is shown now, for budget purposes, it be reduced by \$93,750.

Purcell said if we collect \$400,000, the extra would go to the Chamber. Shanklin said it could be done on percentages and that \$93,000 would not fund it. Mayor Powell said the hire would not happen until October so this is for part of a year and the \$120,000 would be for a full year.

Beller asked who would do the hiring of this individual. Mayor Powell said that Beller would have something to do with it and asked that the Council trust him in that regard. Mayor Powell said if you are a part of the funding source, you would certainly be in the decision making process. Beller said we are back to the same thing and we have too many people shooting at different targets, and we need to bring all of this together. Beller asked if this individual would coordinate with all of the entities. Warren said he would not be in favor of doing anything with the money as long as we remain separate entities; if we do not form a central entity to provide economic development, he would only support providing the money to a centralized agency that would handle economic development and everyone stop having their own little operation and put it all in one pot. Mayor Powell said he would agree with that and that this is what this is all about.

Williams asked if the \$93,750 is taken from hotel/motel, where does it go. Baker said the funds are then freed up. Williams said if the main focus that the Mayor is trying to sell tonight is economic development but also keep the tourism as intact as possible for the Chamber, he did not know what the audit would show and that he was not prepared to give up the money or to redirect the money that has been going over to the Chamber for mostly tourism and some economic development.

VOTE ON SUBSTITUTE MOTION: AYE: Purcell, Shanklin, Beller, Haywood, Warren, Smith. NAY: Williams, Devine.
SUBSTITUTE MOTION CARRIED.

CITY MANAGER

Williams asked if a courier service could distribute mail at a lesser cost and Baker said he could check. Purcell said the courier would be deleted from this activity and moved to the Print Shop, and another clerk would be added for the City Manager. Baker agreed.

Beller asked if it was a part time clerk. Baker said yes, a 20 hour a week position would solve some problems and provide flexibility; the Assistant City Manager functions as the secretary now during any absences. Beller said he called this morning, expecting the secretary to answer the phone, and thought City Hall was closed because the phone rang so many times, and then found out that Mr. Jackson was answering the phone and four of them were ringing at the same time and there was no secretary in the office. Beller said his first question would be where is the secretary, and the next question is why someone is not there in her place if she is not there and that people previously volunteered to answer the phone in the Mayor's office. Beller asked if you can schedule the part time clerk to meet the needs. Baker said they would make it clear during interviews that the person needed to be flexible, and if the secretary is going to be on leave on Friday, the person would be working all day Friday, or an afternoon instead of a morning, and that type of thing.

Williams asked if someone from a temporary service could be used. Baker said they need someone who will be satisfied with 20 hours a week and stay with us, because it takes a while to become familiar with the City organization, the people, and when they answer the phone, they need to know a little of what they are talking about, especially in the Mayor and

City Manager's office, and that could not be possible with a contract person. Williams said he hoped the computers would be used and eliminate so many copies that are distributed, and that might allow for some time left over.

HUMAN RESOURCES

Purcell asked if a report would be provided from the consultant on the pay plan, and the costs. Baker said yes, staff will review it and Council will receive a briefing; options are an across the board cost of living increase, or implement the pay plan, but not both. Baker said they need to see if the pay plan will address the problems and what the implementation costs would be. Purcell asked if the pay plan could be used for the following year's budget. Baker said it will not be too late for this year and his recommendation was that those funds set aside for employee salaries be reserved until a decision is made on whether to implement the new pay plan or the cost of living, and the same amount of money would be available for either option.

Shanklin said the 100 accounts have grown \$22,000 for five people or \$4,000 each. Baker said the cost of living is included in the figures, as well as the step increases for next year and the 27th pay period. Shanklin asked if all 800 employees were going to get \$4,000, and if that was the case, he did not want to hear any more about a pay raise. Baker said the 100 accounts include the 27th pay period, the maturation of the pay plan, and the cost of living. Purcell said it is similar for most of the departments and the 27th pay period has an impact.

Shanklin asked where the budget shows the 3% pay raise is included. Baker read from the budget message; 4.5% increase in group life and health in the amount of \$109,000 and a 3% cost of living adjustment for general employees in the amount of \$431,000, and the normal functioning of the pay plan \$250,000, and in lieu of the cost of living, Council may elect to use the funds set aside to implement a new position classification and pay plan. Mayor Powell said that is also shown on tonight's hand out on page four. Shanklin said he did not know that Council had given any direction to the City Manager as to any cost of living increase, but 3% is included. Baker said Council did not provide that direction but that was his recommendation and Council could act on it as necessary.

CITY ATTORNEY

Beller asked about the staffing in the City Attorney's office and Jensen reviewed the positions and new hires. Baker said the increase is due to moving the Right of Way Agent from Engineering to the City Attorney's office.

Purcell said the projection for police fines and bonds shows the same amount as last year. He asked if a new law had passed allowing fines to be increased to \$500, and if so, the estimate may be very conservative in terms of revenue. Livingston said the same amount is budgeted as is actually collected the previous year, unless there is an increase in rates, to prevent criticism as to being accused of setting targets or quotas in writing tickets.

FINANCE

Purcell said the letter shows \$150,000 in Council Contingency but the notes on Page 53 indicate \$100,000. Baker said the notes have not been updated and the correct amount is \$150,000. Purcell said Account 279 shows \$160,000 and asked if \$150,000 of that amount was Council Contingency. Livingston said yes, the \$10,000 difference is for the County valuation process.

Shanklin said information shows \$790,000 for ad valorem and asked if the City pays that from the budget. Livingston said the City has to budget for judgments, which are paid through ad valorem taxes and must be levied against the tax base; a complete list of the judgments against the City are included in the budget information.

Shanklin asked where the water taps are included in the budget. He said one department opens it up, waits for another department to come and make the tap and leave, then the first department has to come back and cover it up.

Livingston said the tapping is done in Revenue Services; several years ago, there was a situation where priorities in Field Utilities were the leaks and breaks. Revenue Services would receive requests for taps and turn the work order in to the other organization and it took two or three weeks to get the tap made, so they met with Al Morgan, who was the supervisor at that time, to try to solve that problem. The solution was the transfer of one person and the machinery, and since that time, they have been able to eliminate a huge number of complaints that the City was not responsive because Revenue Services has a different priority in the meter service and reading function. Service is better than before. Livingston said things may have changed in Field Utilities and there is different supervision.

Devine said over the time he had dealt with it first hand, the Water Department had to come out and dig it out for them because they did not have the equipment; once it was dug out, Revenue Services made the tap, and if they had to bore under the street, the Water Department had to set the boring machine for them; after the work was done, the Water Department had to come back and take everything out for them and cover it back up. He said he could not understand why the department did not have the equipment to do the work and you still have the Water Department coming to do it, so why not let the Water Department handle it. Devine said they spend \$60,000 to \$70,000 a year for the Water Department to come and do the work for them, and you cannot afford to buy an \$80,000 backhoe and have it sitting it up there. He said they are tapping on the back side of the main and looping it up over the top, and those are getting torn out every time they have to go in for repair.

Livingston said he received this complaint a few months ago by the Water Distribution organization and they investigated and did not find that this was happening, although that was what they were saying was happening. He said they looked at buying a backhoe and the number of taps that are made, and we do not do that many taps really. Devine said the City used to do all of the taps and asked if that had been considered; you know you will need one when you apply for the building permit, so there is plenty of warning that the tap will be needed. Devine asked why the City would not want to collect that revenue, instead of a private individual. Livingston said the City starts out doing things and making money but five years from now, it will cost us money and it is hard to get back around to making the money; we set rates and they stay set, and when you go to change them, it is hard to do. Devine said there should not be resistance to increasing fees to cover costs or make money. Livingston said it could be successful either way, and Council could look at it. Livingston said we charge our costs now when we make taps, and the backhoe issue, his division rents a backhoe when they make a tap and they pass that cost along to the person who requested the tap, so we have not been calling people from other divisions to do the work or bring the equipment.

Livingston said in tapping and looping the lines, some of the mains are not exactly in the easement and there are sidewalks involved and the lines were looped with the permission of the engineers because they were to tap on one side and place the meter between the sidewalk and the line, and they were not putting meters on private property.

Mayor Powell suggested the discussion return to the budget and that the item could be returned. Shanklin said he felt it was a legitimate discussion because he had come up on job sites and found crews waiting on a man to show up. Mayor Powell said that can be looked into.

Baker said he considered transferring the function from Revenue Services to Public Works during budget review and it was discussed with the directors involved, and it appeared it was working pretty well so he left it alone. He said they could look at it again and if Council wanted it transferred, that could work out.

Ihler said it was transferred to Revenue Services because Public Works was not getting the job done. He said Public Works' priority is that if there is a water line break, they stick with that until it is fixed and they would not stop to tap a main. Ihler said people were complaining that they could not get a tap after calling in several weeks ahead of time, but the crews could not get to it because of the water running down the street from broken mains. He said regarding tapping the back side of the main and pulling back over the top, as well as sitting around on the job and waiting for an hour for someone to come, those are older complaints and have not been happening in the last year or so. He said regardless of whether we are tapping on the back side and coming over the top, which we should not be doing, those are things that are correctable and meetings have been held and discussions with regard to that, and those things have been corrected within the past year.

Ihler said staff had discussed moving the taps back to Water Distribution and preferred that it be in one location, but there were 10-12 water breaks a day last summer and the service could not be provided as promptly as it is being provided by Revenue Services. The conclusion of staff discussions was that it could be looked at in the future; it does not have to be done at budget time but could be done in the middle of the year if they had a good handle on the breaks. Ihler said he would like to see all of the water in one area as far as tapping and repairing mains, but when the discussion was held, Public Works would not have been able to provide as good of service.

Shanklin said there was discussion about the City making all of the taps on the water lines and on the sewer lines and asked if it had gone any farther. Ihler said they had looked at preliminary costs and a committee had looked at this as far as sewer; the City could dig up the pipe and make the tap in the sewer main and then back fill the hole, but not at a cost of \$300. Ihler said it could not be done with existing resources and the charge would have to be the City's actual costs and they had not made a recommendation. Shanklin said the crews find time to go out when the private sector is allowed to dig down and maybe break the City's main themselves and then we have to find the time to go repair it. Ihler said yes, crews respond to emergency situations, and it is a good idea for the City to make all of the taps, but they currently do not have the manpower to do it in the budget. Shanklin said a lot of people tap the City's lines and do not have permits and the City knows nothing about it. Ihler agreed. Shanklin said if the City was doing it, they could fine people, especially if they had a license with the City, there would be ways we could make them understand that they are not going to disturb our water and sewer lines and that we will be doing it. Shanklin said the young men who work for the City that are down in the hole know what they are doing. Ihler agreed and said if we do make the taps, we need to charge back to the customer the full amount for what it costs - we cannot make a tap and charge \$10.

CODE ADMINISTRATION

Shanklin said the budget shows five cars and asked how many were bought last year. Dan Tucker, Code Administration Director, said the department had no capital outlay last year; they requested five vehicles last year and reassigned three personnel and placed them in vehicles that were intended for auction last year. Tucker said this budget shows three vehicles for Code Compliance and two vehicles for Building and Permits, for a total of five. Shanklin asked if Code Administration employees were driving new vehicles and Tucker said no, the most recent was two years ago. Tucker said the department had no capital outlay last year. Shanklin said he knew there had been some new vehicles because he had seen the employees in them. Tucker said some are two years old and are in good shape. Shanklin asked if this would mean that no one would drive a vehicle that was older than three years. Tucker said no, but those that are older than three years are the low mileage vehicles which can still be used.

Beller asked if the employees in the department were in the proper slots; there had been horror stories about lengthy delays in certain items and he asked if people are where they need to be. Tucker said he thought so, and the only

personnel changes, in addition to the engineers coming down is that we have reassigned, same pay grade, same level, a code enforcement officer to a plans examiner so someone will be in the office able to talk to people when they come in, and in most instances, issue the permits, and if it is a totally new home construction, the permit can be issued within 24 hours.

PARKS & RECREATION

Haywood said he had a question. Shanklin said the director is not present. Baker said they did not anticipate they would get this far tonight. Haywood said there were some recreation aides who had worked for 13 years and were still part-time; he asked why they could not be made full time. Baker said the budget reflects what the department or division feels it needs, and in some cases, a part time would serve the need and there is not a reason to make it full time. Baker said it is very unusual to have someone on board for 13 years as a part time employee, and that he would get with the director and hopefully provide a better answer.

Purcell said there was a question about the increased cost for use of ballfields and a problem with not having enough people for the tournaments. He asked if the budget reflects the same as last year before the cut back that was then restored. Baker said yes, because the tournaments that were being supported were being taken out of the budget and it appears we will continue to support the tournaments; we tried to get out of it and just could not do it because it is too important to the community in tourism and recreation value. Purcell asked if the fees to use the ballfields was increased and if that revenue was shown in the budget. Baker said Council approved an increase about five months ago for different city facilities and that is reflected in the budget.

Shanklin asked if we are on top of getting the fields ready to play. Baker said he did not think that would be a problem and John Paul Miller has a good handle on that. Shanklin asked if Miller had enough help and Baker said as far as he knew.

Beller asked what the A's and R's referred to in Capital Outlay. Baker said R means Replacement and A means Additional.

Purcell asked if money would be spent at the lakes on the restrooms at Schoolhouse Slough. Baker said the \$188,000 shown in repairs will be broken down into a project list. Ihler said there are no funds programmed for a restroom at Schoolhouse Slough; \$120,000 is projected for the restrooms at Robinson's Landing in Fund 35. Ihler said some funds were spent in this fiscal year on the east camping area restrooms and some very minor repairs at Schoolhouse Slough on the restroom, but there are no funds for additional restroom facilities at Schoolhouse Slough. Purcell said there was previous discussion about building a new restroom in a grassy area by the swings and play equipment. Ihler said the conceptual plan submitted by Mr. Waller showed a restroom area but it did not identify who would build the restroom, and other than that, the City did not commit to construction of any restrooms and the proposed budget does not include funds for that. Purcell said it is a mess and something is needed.

Shanklin asked if Ihler submitted the lakes budget. Ihler said yes. Shanklin asked about purchase of backhoes shown on Pages 91 (lakes) and 97 (park maintenance). Baker said it was hard for him to answer without the director present but that he had asked that departments prioritize their capital outlay request, and both were considered high priority items. Mayor Powell said he would like a further answer because the response last year was that it was used only 10% of the time. Baker said Mr. Endicott had just told him that park maintenance had been borrowing a backhoe from the cemetery and that they had a definite need for a backhoe, but that he would look into it further.

Devine asked if it was policy to move down a backhoe from a high use division to a lower use division and place the new equipment with the high use division first. Baker said they could do that if it is cost effective, and if it is equipment that would be too costly to maintain, they would get it out of the system, but if it is possible to move equipment down to a lower intensity use division, that is done with vehicles and other items. Devine said it did not make sense to have a \$80,000 piece of equipment on hand all the time when it would be used only 10% of the time, whether it be at the lakes or any division. Devine said it would be better to move down the equipment from the higher use divisions, such as water and sewer that are on call 24 hours a day. Baker said that should probably take place and that they would look at the backhoe at the lake as far as use and see if they could move one down from another division.

POLICE DEPARTMENT

Purcell said he saw replacement of a total of 13 cars; one for the chief or assistant and eight marked and four unmarked. He said he thought it was standard to replace about 20 cars per year to keep up with reliable vehicles, and asked if this was enough to purchase. Bill Adamson, Police Chief, said grant funds were available last year for purchase of vehicles and seven or eight additional were purchased at that time.

Shanklin said he asked a year ago if some officers were doing work that civilians could do and the Chief said there were two, and there were two officers who served 20 years, did their five-year Louisiana plan, and went right back in the next day in the same job that they had. He asked if everyone would be given this type of opportunity and why this happened, and how did we really anguish over giving these guys these jobs when there were three or four people who applied for them. Shanklin said it does not look good, it is a morale killer and that he had not found one officer yet who wanted it but Council was told it was almost unanimous but that he had not heard that since. Adamson said the people talking to Shanklin may be giving him bad information.

Adamson said with regard to the civilian positions, which Council approved, and as a manager, when you have an employee who has a 25 year work record, the person is dependable, does a good job, no personnel problems, and asks if they can

apply for the position that is being created, the answer is yes, and it would have been even if they would have been a bad employee because you do not have the right to tell someone they cannot apply for a job, so both of these employees inquired if they could, and they did and they were told yes, take your chances like everybody else. Adamson said he picked up the applications through Human Resources and had about six per position for interview; interviews were conducted by the staff, as is the case with all positions, and Adamson said he made his selection of these two individuals because he saw, from a management point of view, the ability to get an employee with a proven work record, who knows the job and requires no training, and they were by far better candidates than the other persons who were interviewed, although there was one in each of the positions that were impressive, but these were the best qualified. Adamson said as a manager he would have been derelict in his duty to hire anyone other than the ones hired, and that he would make the same recommendation today.

Shanklin said he disagreed 100% and that it was not being fair to the rest of the police officers. He said he thought those two positions should be put back on the department, and that he could not see serving 25 years, going through five years of the Louisiana plan, coming out with \$150,000 and putting them right back into the same job. Adamson said he did not see that as being a relevant issue. Shanklin said it is when people are applying for jobs and that Adamson was not content to stay a patrolman for his entire career and that there are people who want to move up, and as far as morale goes, those slots should be open. Adamson said the tradition in police work across the nation is to civilianize positions that can be handled by civilians rather than by commissioned officers, and these two individuals make far less money than a police officer would replacing them.

Shanklin said he wondered why we had to have a full time person down there at the shooting gallery. Adamson said it was his opinion that a full time employee was needed there. Shanklin disagreed.

MOVED by Shanklin, that those two slots be put back into the uniform division.

Adamson said if these two positions are made police positions again, we would have to hire two more people due to the grant requirements, and that he would research that further.

Purcell said it was civilianized because there was going to be a savings. He said the City saved \$32,000 a year and asked why they would want to change it back. Shanklin said \$32,000 is not much out of a \$50 million budget if you are trying to improve morale. Purcell said it may be a personality concern because if other people were hired, it may not have been an issue. Shanklin said he did not know the two people involved, had never met them. Purcell said the concern seems to be that they were uniformed officers one day and went back the next day as civilian employees, that that is the issue. Shanklin said that is the issue. Purcell asked if it would be an issue if it would have been two other people. Shanklin said he would have had no problem with it if it would have been two civilians. Purcell said he thought it was good to save \$32,000. Shanklin expressed doubt that \$32,000 was a true figure.

Beller said he assumed any officer could have applied for those positions if they desired to do so. Adamson said they would have had to resign as an officer, but could have applied under that circumstance. Beller said if they all had the opportunity to apply, why is there a complaint. Shanklin said the complaint is that a great majority of the patrolmen do not like it because you killed two slots, and evidently these guys rolled right over the next day and that was the part he did not like; there was no anguish over who they were going to hire, they knew who they were going to hire from the very day it was declared a civilian job, regardless of what they do at Human Resources. Beller said if everyone could comply, it did not appear to be a justifiable complaint.

Shanklin asked if we are going to create a civilian job for everyone who retires after they finish the Louisiana Plan. Warren said they would all be free to apply for any jobs that are open after they retire from the Louisiana Plan. Shanklin restated his motion to put these men back in uniform; do away with the two slots that were civilianized and put the two slots back out for the rest of the 150 officers to have a shot at them. Shanklin said we have taken away two slots that are a little bit better than working from 11 to 7 or whatever the secret hours are that they work.

SECOND by Haywood.

Beller asked what the two positions are. Adamson said one is the police civilian supervisor, who is in charge of the service division which includes all of the clerks, and the other is the firearms coordinator, who does the inventory, ordering, maintenance of the range and the firing instructor.

Baker said if Council desired to civilianize the positions, he would ask that a patrol officer and a lieutenant be added to the budget in lieu of these positions.

Devine asked if the qualifications for the positions were that they had to be an ex-police officer or a law enforcement person. Adamson said no, with the exception of the firearms coordinator position who was required to have CLEET certification due to the firearms duties, but the other one did not and it was more of an office manager.

Shanklin said the Chief laughed at him when he said he should have taken the OSBI, but we have a police officer who sold ammunition to a pawn shop, signed his name to it, and the word that came back to him was that he was selling his own ammunition. Shanklin said his question was how long does it take to sell ammunition at \$10 or \$12 a box before you become a millionaire.

Adamson said that comment had been investigated.

Mayor Powell asked if clarification was needed on the motion. Beller said he felt they needed to discuss the ramifications. Shanklin said the motion would not pass and called for a vote. Shanklin said he had spoken up for the men in the trenches.

Haywood said he had heard some of the same things about morale in the Police Department. Beller said the complaint seemed to be that the jobs went to two retired officers, and if they would have hired two civilians out of the field, there would not have been an issue.

VOTE ON MOTION: AYE: Shanklin, Haywood. NAY: Devine, Purcell, Beller, Warren, Smith, Williams. MOTION FAILED.

Williams asked how much money the City still owes for the Waurika Project and if any of the \$1 million is going toward the principal. Livingston said we are getting close to the point where we will be paying principal; the City has a note with the conservancy district, and the conservancy district has a note with the Corps of Engineers, and it did not meet the basic debt retirement, in other words, it was structured so that within the first 25 years that what we lacked in paying off the principal was added to the note so the principal kept growing larger. Livingston said this coming year we are at the point where we will begin to pay some of the principal on the note. Under State law, the City could not enter into a contract or note for more than 25 years, so the Waurika program contains a balloon payment with an understanding with the Corps of Engineers that if the City so elected, we can pay \$25 million at the end of the period or enter into a contract for another 25 years, and the note is coming due. Livingston said the storage facility was about \$3 or \$4 million and we will have to do something about 2003; the conveyance facility has a \$20 million note that Lawton has 96% interest in and we will probably have to extend that note in about 2005, but we owe about \$22 or \$23 million on it.

Purcell said he had read that J.C. Watts and others may have found some relief according to a news story, and it may have been for the extra amount, but that has no basis to relieve the original debt but just an additional debt. He said there is some confusion in the community that we are going to save some of the original debt and that is not the case. Livingston agreed.

Beller asked how the remodeling of the old Chung Graham building is going. Baker said he had asked that we be ready to let a construction contract shortly after July 1 and be in the facility by the fall. Baker said \$40,000 is included in next year's CDBG program for that facility, and the Chief has also identified \$50,000 that was set aside for repairs at Fire Station 5, so we have about \$90,000 available for that; the architect is finishing the plans and Engineering will advertise for bids, hopefully after July 1. Beller asked what happened to the repairs at Fire Station 5. Baker said that is not enough money to even start at that fire station and the City needs to look at replacing it. Don Barrington, Fire Chief, said \$75,000 was in the 1990 CIP for renovation of Fire Station 5, and as it evolved, we found that it was not enough money. Haywood asked why we waited so long to do projects like this since that was back in 1990. Mayor Powell said those who had not addressed that issue are not present this evening. Beller said the building is not structurally sound. Shanklin said the problem is with the way the pad was poured and it is not the structural portion. Haywood asked how much money would be needed for repairs. Williams said it was his understanding that it was not in the proper location. Barrington said OSU did a survey in 1994 on the locations of all of the stations and recommended Station 5 be moved to mile north of the current location. Mayor Powell said that would be about the 15th green at the Country Club golf course, which would be very expensive.

Shanklin asked how many more EMR runs we are making than fire runs. Barrington said we are probably running 85% EMR's, although he did not have the figures with him, but since 1996 there has been a significant reduction in structural fires and may have been 264 last year. Shanklin asked where this gets us in trouble or if it is proper to talk about that in open session, and if we run so many EMR's, we are placed in another category. Barrington asked if Shanklin was referring to the FLSA issue and Shanklin said yes. Barrington said he did not believe it would. Beller said it is a necessary function for the Fire Department to perform. Shanklin said he had no problem with it but did not want them responding in a \$250,000 apparatus.

Williams said there had been discussions previously about ambulance service and asked if any more thought had been given to that. Baker said the ambulance service was a departmental initiative that he had in his office, and that he would be sending out information on the initiatives which are not being included as part of the budget exercise. Baker said as soon as the budget is adopted, he would review the initiatives and bring forward those that would benefit the community, and the ambulance service is one of those.

Beller said significant, in-depth study would be needed before entering into the ambulance service. Mayor Powell said that people are getting out of that business every day and it did not make much sense to get into it. Williams said we are in it now and we are not being reimbursed for it; we are doing everything except transporting. Beller said the Fire Department vehicle beats the ambulance to the scene by five to eight minutes. Beller asked if we are wanting \$600 for the fire department to make a run, like the ambulance service. Warren said we do most of it now anyway.

Mayor Powell suggested everyone continue to look at this and think of other questions for one more meeting. Beller said it could be helpful if questions were submitted in advance. Purcell asked if a date would be set for the next meeting. Mayor Powell said he would put some dates out but not tonight.

There was no further discussion and the meeting adjourned at 7:45 p.m. upon motion, second and roll call vote.

